

SENATE RECORD VOTE ANALYSIS

106th Congress
1st Session

Vote No. 249

August 3, 1999, 4:12 p.m.
Page S-10100 Temp. Record

AGRICULTURE APPROPRIATIONS/1st Agriculture Aid Proposal (Cochran)

SUBJECT: Agriculture, Rural Development, and Related Agencies Appropriations Bill for fiscal year 2000 . . . S. 1233. Daschle motion to table the Lott (for Cochran) modified amendment No. 1500 to the Lott (for Daschle) amendment No. 1499.

ACTION: MOTION TO TABLE FAILED, 47-51

SYNOPSIS: As reported, S. 1233, the Agriculture, Rural Development, and Related Agencies Appropriations Bill for fiscal year 2000, will provide \$60.710 billion in new budget authority (of which \$13.98 billion will be discretionary budget authority, which is the amount provided in fiscal year 1999) for fiscal year 2000. Loan authorizations will total \$9.650 billion.

The Lott (for Daschle) amendment would provide \$10.8 billion in emergency agricultural assistance and would make various statutory changes to agriculture programs. (The \$10.8 billion estimate is from the amendment's sponsors; the Congressional Budget Office scored the amendment as costing more than \$11 billion). Provisions include the following: \$6.373 billion would be appropriated for supplemental loan deficiency payments (funds would be given on an "equitable" basis as determined by the Secretary of Agriculture; payments to individual farmers would be limited to \$40,000; the size of the payment for each farmer with failed crops would be determined by the Secretary based on the farmer's prior production); up to \$400.0 million of the above \$6.4 billion could be used to give aid to dairy farmers, \$45 million could be used to aid peanut farmers, and \$328.0 million could be used to aid tobacco farmers; \$2.274 billion in disaster assistance would be given, including \$200 million for a "short-term land diversion program" and funding for land that had been flooded for continuous years; \$978 million would be appropriated to buy agricultural commodities to distribute as foreign aid; \$212 million would be appropriated for the emergency conservation, watershed, environmental quality, and wetlands reserve programs; a program of mandatory price reporting for agricultural products would be started; and statutory language on meat labeling would be enacted.

The Lott (for Cochran) modified amendment would provide \$7.25 billion in emergency agricultural disaster assistance (as scored by the CBO) as follows: \$5.544 billion would be given in additional agriculture market transition (AMTA) payments (this provision would equate to a 100-percent increase in a farmer's 1999 payment); \$470 million would be given in direct payments to soybean and

(See other side)

YEAS (47)			NAYS (51)		NOT VOTING (2)	
Republicans (2 or 4%)	Democrats (45 or 100%)		Republicans (51 or 96%)	Democrats (0 or 0%)	Republicans (2)	Democrats (0)
Gregg	Akaka	Kennedy	Abraham	Hutchison	Domenici- ² Hatch- ^{2AN}	
Santorum	Baucus	Kerrey	Allard	Inhofe		
	Bayh	Kerry	Ashcroft	Jeffords		
	Biden	Kohl	Bennett	Kyl		
	Bingaman	Landrieu	Bond	Lott		
	Boxer	Lautenberg	Brownback	Lugar		
	Breaux	Leahy	Bunning	Mack		
	Bryan	Levin	Burns	McCain		
	Byrd	Lieberman	Campbell	McConnell		
	Cleland	Lincoln	Chafee	Murkowski		
	Conrad	Mikulski	Cochran	Nickles		
	Daschle	Moynihan	Collins	Roberts		
	Dodd	Murray	Coverdell	Roth		
	Dorgan	Reed	Craig	Sessions		
	Durbin	Reid	Crapo	Shelby		
	Edwards	Robb	DeWine	Smith, Bob (I)		
	Feingold	Rockefeller	Enzi	Smith, Gordon		
	Feinstein	Sarbanes	Fitzgerald	Snowe		
	Graham	Schumer	Frist	Specter		
	Harkin	Torricelli	Gorton	Stevens		
	Hollings	Wellstone	Gramm	Thomas		
	Inouye	Wyden	Grams	Thompson		
	Johnson		Grassley	Thurmond		
			Hagel	Voinovich		
			Helms	Warner		
			Hutchinson			

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

minor oilseed producers; \$134 million would be provided in assistance to producers of specialty crops; \$325 million in assistance would be given to livestock and dairy producers (to be administered by the Secretary of Agriculture); \$328 million would be given to tobacco farmers in accordance with the national tobacco settlement; the cotton step-2 export program would be reinstated (\$201 million); and the current loan deficiency payment limit would be increased from \$75,000 to \$150,000. The amendment would also express the sense of the Senate on Congress' objectives for future agricultural trade negotiations, would encourage the President to be more aggressive in strengthening trade negotiating authority for American agricultural products, and would request the President to assess and make recommendations on the effectiveness of our existing export and food aid programs.

During debate, Senator Daschle moved to table the Cochran amendment. A motion to table is not debatable; however, some debate preceded the making of the motion. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

NOTE: After the failure of the motion to table, the amendment was withdrawn. Subsequently, it was modified to add an extra \$400 million to retain the 1999 crop insurance premium discounts for year 2000 crops, was reoffered, and was adopted by voice vote. The Senate then voted on the underlying amendment, as amended by the Cochran amendment (see vote No. 257).

Those favoring the motion to table contended:

The Cochran alternative amendment to the underlying Daschle amendment is inadequate. It would only provide about half the money needed, and it would not target that aid to make sure it got to the people who most needed it. Further, it would totally ignore the underlying problem, which is that the "Freedom to Farm" bill that Republicans in Congress passed 3 years ago is failing in practice. That bill shredded the safety net for farmers so that they could operate in a "free" market. Unfortunately, that market just does not exist, and American farmers are going broke. Instead of distributing money everywhere instead of where it is needed, which is the approach of the Cochran amendment, we should adopt the underlying Daschle amendment. The Daschle amendment would target aid to small family farms that are struggling to survive due to crop loss from bad weather and disease and to a world collapse in prices that occurred after the Freedom to Farm bill removed their safety net.

Farmers in America are in dire need of emergency assistance. Three successive years of poor weather and disease have destroyed crops in the upper Midwest. The East Coast is experiencing severe droughts. Other parts of the country are more than making up the difference in crop production with record harvests, but the prices for those harvests have collapsed because of world market conditions, which include the Asian financial crisis (which has caused agricultural exports to Asian countries to plummet) and unfair competition from Europe and Canada. American farmers are not allowed for environmental reasons to use certain chemicals that their foreign competitors use; American farmers receive much less in subsidies and export assistance than their competitors (particularly in Europe); and the United States' market is wide-open for imports though the rest of the world has large tariffs and trade barriers against American agricultural products. With the large increase in world production and sharp drop in world demand, other countries have stepped in to help their farmers through the hard times. In the United States, though, the safety net has been shredded by the Freedom to Farm bill and farmers are going broke. Giant agri-businesses will survive, but family farmers will not.

The fact that we are eventually going to have to face is that the Freedom to Farm bill has resulted in too much land going into production. All farmers should have to take some land out of production in order to drive down supply and increase prices, which will give all of them a fair income. If we do not start taking steps in that direction, as proposed in the Daschle amendment, the problem will only get worse each year. The Freedom to Farm bill did away with all Federal control of planting decisions, it began to get rid of price supports, and it offered in return cash AMTA payments during a 7-year transition phase during which time almost all Federal involvement (both controls and aid) in agriculture would be ended. If we carry this foolhardy plan through to the end, in 7 years we will end up with American farmers being forced to fend for themselves against unfair competition from the world.

Almost all of the aid in the Cochran amendment would be distributed as AMTA payments. Those payments are based on formulas that can take into account as many as 20 years of production for a farmer. In many cases under this amendment, aid would end up going to "farmers" who did not plant anything this year or who were rich absentee landowners. Also, under the 3-entity rule, the Cochran amendment would make it possible for rich farmers to get up to \$460,000 each in AMTA payments. These results are simply unacceptable. Aid should be targeted to those small family farmers who are being driven from the land due to poor growing and market conditions and to a farm bill that has failed to protect them from those conditions. Making matters even worse, the Cochran amendment would provide less than the amount that is needed by those farmers who are in trouble.

The Daschle amendment, in contrast, would provide adequate funding, and it would get it to the people who need it most. It would give most of its funding through loan deficiency payments and would cap the amount an individual could receive. Thus, only farmers who were in economic trouble, and who had smaller farms, would end up getting aid. It would also give substantial sums in disaster assistance and for environmental programs. We support the Daschle amendment and favor the motion to table.

Those opposing the motion to table contended:

Our colleagues have grossly distorted the facts. Some American agricultural producers are having difficulties now due to unforeseeable circumstances and to Federal failures to implement key trade, tax, insurance, and regulatory reforms that were promised

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under the Freedom to Farm bill, but the problems are nowhere near as great as our colleagues so fervently describe them. At this point, we believe giving assistance is warranted to help farmers cope with the unusual world economic conditions that have dropped prices so dramatically. The fastest way by far to get the aid to farmers is with AMTA payments, as proposed by the Cochran amendment. With that approval, farmers would get help within 10 days of enactment of this bill. In contrast, the underlying Daschle amendment would sift the money through slow-moving Federal bureaucracies, which could take half a year or more. Much of the money would never make it through to the farmers.

Our Democratic colleagues have spoken at great length about the terrible conditions in agriculture. A listener who heard only our colleagues speak would be left with the impression that there are uniform, catastrophic failures of farms all across the country. One would expect huge net losses rather than any net income, one would expect the value of farm land to be collapsing, and one would expect farm debt to be rising. One would be wrong on all counts because our Democratic colleagues have inaccurately described what is happening. The Department of Agriculture, under the Clinton Administration, has announced that even with all of the problems our colleagues have described it estimates that net farm income (income, not loss) in 1999 will be \$43.8 billion. Last year, net farm income was just \$400 million more. The average net income over the last 8 years was \$45.7 billion. The low point was \$37.2 billion in 1995; the high point was \$54.9 billion in 1996. We have had a drop of less than 1 percent this year, and overall we are only 4 percent below the average for this decade. The reason that income has stayed stable is that the Federal Government is giving huge amounts of aid under the Freedom to Farm bill. Last year it gave \$12.2 billion; already this year it has given \$16.6 billion. The record amount for any year is \$16.7 billion. It seems to a large extent that Members on both sides of the aisle are determined to add at least \$7 billion to that amount for a new record. When they do, this year farmer's net income will be at well above-average levels. Farmers are still getting loan deficiency payments, they are also getting AMTA payments, and they are also getting conservation and crop loss disaster payments. The Agriculture Department informs us that farm equity will go up this year, that farm real estate prices will also go up this year (even in the Northern Plains, which have had the worst conditions), and farm debt will decrease--do these statistics give evidence of a vast depression in farm country?

It is true that prices have declined for agricultural products. However, that decline is not nearly as dire as our colleagues describe because it fails to note that yields per acre are up. In other words, an individual farmer may get less for the products he produces, but his farm is much more efficient and effective in producing, so he has a lot more to sell. Yields have gone up severalfold in recent decades, and technological advances that are increasing yields even more are occurring at a huge pace. If a farmer produces twice as much at the same cost and sells at half the original price, he will end up with the same amount of income, not half as much income, because he will sell twice as much.

Part of the price drop, though, is due to other factors. First and foremost, the United States lost about 10 percent of its entire market for its agricultural products last year due to the Asian financial crisis. Second, there has been abnormally good weather in China, Europe, Brazil, Argentina, and Australia, which has resulted in bumper crops in all of those places. Third, the market for American food products in Europe has slumped dramatically due to Europeans' rejection of products that have been genetically modified to make them disease- and insect-resistant. These world conditions, along with continuing trade barriers against United States' agricultural products and foreign subsidies of their agricultural goods (Europe will hit a record \$60 billion in subsidies this year), have caused severe, immediate, short-term problems for many farmers because so much of their production is for export. In States such as Indiana or Iowa, a third to one-half of each year's farm products are exported. We believe that aid should be given to help farmers survive these unforeseeable events, which have all struck at once.

Most of the farmers who will be helped by the Cochran amendment will be family farmers. That fact does not mean that they will necessarily be small operations--most full-time farmers now run multi-million-dollar operations. Certainly some very small farms exist that may have just 40 acres and a tractor, but those are primarily part-time farmers. Our colleagues have tried to create the impression that we have a situation of huge corporate agri-businesses driving Ma and Pa Kettle off of the farm; the reality is that farming is of little interest to large corporations because of the low profit margins. Farming remains a labor of love practiced by families. Corporate farms exist, but they are usually family farms that have incorporated for tax purposes. They do not earn a lot of money, but they are large, well-capitalized operations with modern business planning and marketing skills.

Last year the Senate passed a \$6 billion agricultural relief bill. About \$3 billion of that was in AMTA payments. The other half was for so-called disaster assistance payments, some to pay for "emergency" disasters as far back as 1994. The AMTA money went out immediately, but bureaucrats at the Department of Agriculture struggled mightily to come up with an equitable way to distribute the other emergency funds. As a result, it did not send out any money until June of this year. Based on that record, we have proposed relief in this bill that will get money to farmers quickly through the AMTA rather than through a variety of bureaucracies as proposed by the Daschle amendment. It will not do farmers much good to get relief checks next year after they have already lost their farms. If our colleagues really want to give immediate help, then they should support the Cochran amendment.

The Daschle amendment would also move American agriculture back towards its days of Government dependency, when the Federal Government told farmers how much they could plant, where they could plant, when they could plant, and what they could plant. That old system benefitted foreign agriculture more than American agriculture. If the Government decided there was an oversupply of food in the world that was depressing prices, it would order land out of production, which would drive up prices and encourage more foreign production. Much of the Daschle amendment funding would end up being spent by the various Federal bureaucracies rather than getting to the farmer. Some of it would be spent in rather unique ways, such as the proposal to give money for land that has been submerged

for continuous years. In our States, the word for such land is a "lake."

We should instead continue to move toward the goals of the Freedom to Farm bill. The removal of the planting restrictions has already resulted in huge, beneficial changes. Farmers have cut back on production of some crops and increased production of others. For instance, Kansas has now become a large producer of cotton because farmers, now that they are allowed to plant anything they wish, have found that cotton grows well in that State. New efficiencies and much higher yields of all types of crops are coming from the lifting of restrictions. Our Democratic colleagues may be surprised by this fact, but farmers appear to be better at farming than is the Federal Government. The Freedom to Farm bill was only supposed to be the first piece of legislation to move farmers to the free market. The Administration was also supposed to move aggressively to end unfair trade practices (it has not), Congress was also supposed to pass numerous tax reforms, such as income averaging and death tax reform (it has not), and Congress also was supposed to pass reforms to crop insurance programs (it has not). Passing this aid bill will take care of the short-term needs, but Congress should then quickly work to pass the additional reforms that farmers need in order to be able to compete fairly and to stay in business during difficult times without Federal aid. We urge our colleagues to join us in providing aid quickly by approving the Cochran amendment and then to join us in passing the additional reforms that farmers need.

While opposing the motion to table, some Senators expressed the following reservations:

Republicans and Democrats appear to be in a bidding war over who will be most generous in giving assistance to farmers. Two proposals have been put forward. Republicans, in the Cochran amendment, have suggested about \$7 billion in aid that will have the advantage of getting into farmers' pockets almost immediately; Democrats, in the Daschle amendment, have proposed more spending, about \$11 billion, which will be poured through the sludge of Federal bureaucracies. The Cochran amendment could prove beneficial, or it might end up causing more harm than good. We are certain that the Daschle amendment would cause more harm than good due to the means by which it would give aid. Also, because it would spend more, it would cause more harm. The Cochran amendment is clearly a better alternative.

Farm income is at a pretty high level, thanks in large part to the generous aid that has been given to farmers over the past few years. That high income level has been encouraging farmers to put more acreage into production. Also, yields per acre are climbing. Productivity of farm workers is growing twice as fast as productivity of workers in the economy as a whole. If the food supply continues to rise and the demand for food does not, prices will continue to fall. Every time prices fall, we fear we will end up being asked to spend more money in farm aid, which will further encourage production. As the costs of aid rise, demands will rise also for the Federal Government to again take over planting decisions.

We had such Government control for decades, and farmers were not exactly well off. The reason has to do with the structure of the Federal Government. House membership is based on population, and most people live in cities or suburban areas. Few House members have large numbers of farming constituents. They never have and never will build a Government-run farm policy that makes farmers well off. Have farmers been rich for the past 60 years? The best chance that farmers have of escaping control and peonage incomes is to have a truly free market.

The Clinton Administration, despite a direct congressional request several months ago for its estimate of the amount of agricultural aid that should be given, has yet to suggest giving any aid. The President recently noted, correctly, that any emergency aid would be out of the surpluses, possibly the Social Security surpluses, and once spent it could not be used for other purposes such as Medicare reform. That comment does not sound to us as though he is anxious to provide aid. Further, this bill is not going to be enacted until September at the earliest, after Congress returns from the August recess. At the same time, Democrats have not been eager to meet with Republicans to work out a bipartisan solution. They seem more interested in playing politics. For instance, all of the Democrats at one recent Agriculture Committee meeting decamped *en masse* to join the Vice President in a press conference to criticize Republicans' agricultural policies. If the Administration had a policy besides playing politics with this issue, we wonder if the Vice President might share it with us. It seems to us that to the extent there is a farm crisis Democrats want to extend it so that they can blame Republicans and argue for going back to Federal control of agriculture. Therefore, farmers who think this debate is going to lead to them getting aid anytime soon should not get their hopes too high.

Our colleagues' premise is that in this case some immediate assistance is warranted because of a number of unforeseeable world events that have occurred, such as the Asian financial crisis, that have driven down prices. The argument is that these are short-term, anomalous events. If that argument is correct, then giving immediate aid will not distort the market by encouraging more overproduction; it will only help farmers through an unusually difficult time. However, we are not sure the argument is correct, because farm income is only slightly down from last year, and all objective measures of the health of farming in America, such as the price of land, show that it is doing well. The Cochran amendment would provide immediate aid. We will vote for this amendment because the premise on which it is based, that the price drops being counteracted are temporary, may be correct, and, if so, immediate aid is needed. We certainly will not support the Daschle amendment, however. That amendment would move us back toward the old system of Federal control of agriculture. We should not move in that direction. Instead, we should finish the job we started 3 years ago by enacting tax, insurance, and trade reforms for farmers.